

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

STATISTICAL SUMMARY

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

SS - 25

DECEMBER 12, 1944

LAND PRICES HIGHER - SALES SLOWING

During the 4 months ended Nov. 1, farm real estate values advanced further about 3 percent over the country as a whole. The Far Western States showed largest increases, averaging around 4 percent. However, activity in the farm market is slackening; indications are that the total volume of voluntary transfers since last March is about 10 percent less than in like period of 1943. The general index of farm value per acre, for the United States as a whole, stood at 120 on November 1 (1912-14 being taken as 100), compared with 105 a year previous, 93 two years previous, 85 for the year 1941, and 73 in 1933 at the bottom of the depression. This index reached 170 during the inflation of 1920.

MORE CATTLE SLAUGHTERED - FEWER HOGS AND LAMBS

Federally inspected slaughter of cattle in October 1,450,572 head, 7 percent larger than last year in comparable plants. Largest slaughter in any month in 26 years (since fall of 1918). Calf slaughter 919,599 head, largest month on record, 34 percent above October last year. Cattle price reached a new top of \$18.50 at Chicago in November.

Sheep and lamb slaughter under Federal inspection, in October, 2,238,346 head, 16 percent less than year ago. Average price good and choice lambs at Chicago, mid-November, \$14.54 per cwt., compared with \$13.06 a year earlier.

Hog slaughter in October 4,223,255 head, smallest for the month since 1939. Average price paid for all hogs at Chicago in mid-November \$14.26 per cwt., compared with \$13.53 year earlier. Stocks of pork and lard now comparatively low; pork in storage November 1, was 294 million pounds, against 341 million year before; lard stocks 118 million pounds, against 157 million year before.

CATTLE FEEDING UP TO LAST YEAR

One reassuring item in the meat supply situation is that there are at least as many cattle being fed this winter as last, perhaps more. Feed grain supply per animal unit is 15 to 17 percent larger than last season. Movement of stocker and feeder cattle to Corn Belt feed lots in 4 months, July-October, was about 1 percent above last year, though the October shipments alone were about 8 percent under previous October. Prices of such cattle have strengthened; average for stocker and feeder steers at Kansas City

in mid-November \$12.15, compared with \$10.55 year earlier. Typical feeding ration this fall costs 5 to 10 percent above year ago.

MILK PRODUCTION HOLDING WELL

Milk production in November 8.4 billion pounds, compared with just under 8 billion year before. Milk output for 11 months, January-November, totaled 110.5 billion pounds, compared with nearly 109.9 billion in like period last year. Mild weather and better fall pastures favored production this fall. Higher percentage of cows in herds being milked this December 1 than last, 65.2 percent against 64.9 percent. Farmers also feeding liberally; 4.74 pounds of grain and concentrates per cow average this month against 4.66 pounds year ago. Expectation is that milk production in 1945 may reach 119 billion pounds, if returns to producers are about same as this year.

LESS MEAT NEXT YEAR?

Total meat output in 1945 will be at least 2 billion pounds under 1944, as it looks now. Meat production for 1944 is estimated at more than 24 billion pounds, dressed weight, an all-time record. There will be more beef and veal next year but that will be more than offset by the smaller hog output and by a 10 to 15 percent reduction in lamb and mutton. Takings of meat for armed forces and lend-lease may be somewhat smaller next year than this, but the cut in supply will more than offset that in demand.

FEWER LEGS-O'-LAMB IN 1945

The 1944 lamb crop was around 29.6 million head. But the number of ewes on farms next spring will be reduced, which under average conditions will mean a smaller lamb crop. Also, fewer lambs are in feed lots this winter than last; shipments of feeder lambs into the 11 Corn Belt States, excluding Kansas, during the 4 months July-October, were 16 percent below year earlier and smallest in 6 years. This is true despite larger numbers pasturing on wheat fields in Kansas, Oklahoma and Texas. Incidentally, the 5.9 million head on feed last January represented a 15 percent reduction from a year before that. In short, the stage is set for less lamb in the markets, in 1945.

FEWER HOGS MEANS LESS

FATS AND OILS

Under wartime urge, output of domestic fats and oils in 1943-44 crop year totaled 11.2 billion pounds.

PARITY PRICES FOR FARM PRODUCTS AND ACTUAL PRICES RECEIVED

| COMMODITY AND UNIT | ACTUAL PRICE | | PARITY PRICE |
|---------------------------------|-----------------|-----------------|--------------|
| | OCT. 15 1944 | NOV. 15 1944 | |
| Wheat, bu. dol. | 1.42 | 1.43 | 1.51 |
| Corn, bu. dol. | 1.13 | 1.06 | 1.10 |
| Oats, bu. dol. | .66 | .66 | .682 |
| Cotton, lb. ct. | 21.25 | 20.78 | 21.20 |
| Potatoes, bu. dol. | 1.42 | 1.43 | 1.24 |
| Hogs, 100 lb. dol. | 13.80 | 13.50 | 12.40 |
| Beef cattle, 100 lb. . . dol. | 11.60 | 11.60 | 9.27 |
| Veal calves, 100 lb. . . dol. | 12.90 | 12.90 | 11.50 |
| Lambs, 100 lb. dol. | 12.20 | 12.20 | 10.10 |
| Butterfat, lb. ct. | 50.3 | 50.7 | 47.8 |
| Milk, wholesale, 100 lb. . dol. | 3.34 | 3.39 | 3.02 |
| Chickens, live, lb. . . . ct. | 23.8 | 24.0 | 19.5 |
| Eggs, doz. ct. | 38.8 | 43.4 | 47.1 |

¹Adjusted for seasonal variation.

This may be the peak for several years. It compares with an average of 8.2 billion in the 1937-41 period. Output in 1944-45 probably will total around 10 billion pounds. Principal decline will be in lard and grease, reflecting an estimated 25 to 30 percent reduction in 1944 pig crop.

FEWER CHICKENS AND EGGS AHEAD

Egg production during October totaled 273.2 million dozen, 10 percent above the previous record of October 1943. Number of laying hens on farms in October was 375 million, compared with 368 million a year previous and October average (1933-42) of 285 million. However, number of eggs set in commercial hatcheries, in October, was 44 million, compared with 56 million a year previous; and number of chicks hatched was only 26.3 million, compared with 39.5 million year ago. In other words, poultry production is passing over a peak and heading downward.

Average price of eggs received by farmers in October was 38.8 cents a dozen, compared with 45.2 cents year previous - which is one explanation of tendency toward lower production.

Supplies of chickens in the markets during next 4 months, December-March, will be far below previous year unless culling in flocks is much larger than usual. During the first half of this year markets were receiving chicken meat in large quantity induced by record number of chickens raised (934 million) in 1943; but only 4/5 as many chickens were raised in 1944 and now the marketings are beginning to shrink. Output of broilers in recent months has been running far behind last year.

CHRISTMAS TURKEY - PERHAPS

The Government set-aside order on turkeys was suspended Nov. 6, allowing turkeys to move into civilian market channels. The 1944 turkey crop is estimated at 35.7 million birds or about 1/2 billion pounds, dressed weight, the largest crop on record. However, the large military procurement - at least 60 million pounds - will leave a per capita civilian quantity of around 3.2 pounds, the same as last year although 23 percent above 1935-39 average. The average price being received by farmers for live turkeys in mid-November was 33.8 cents a pound, compared with 32.7 cents a year previous.

MORE COTTON THAN EXPECTED

The 1944 cotton crop was planted in the rain and its early weeks were decidedly unfavorable. Even when the first forecast of production was made, August 1, prospects were so far from present actuality that the August forecast has now been raised

by 1,300,000 bales. The story was one of progressive improvement - a good growing season, insect loss held to a minimum, and finally excellent fruiting of the plants and favorable harvest weather. All of which adds up to a December estimate of 12,359,000 bales of cotton, of 500 pounds gross weight. This is only slightly below the average production of 12,455,000 bales for the 10 year period 1933-42.

FARMERS RECEIVING (AND PAYING) HIGHER PRICES

Prices of farm products as received by farmers advanced 2 points in the index between mid-October and mid-November. The November price index stood at 196, prewar level being taken as 100. This was also 2 points above November last year. The rise was recorded despite downturns in hogs, corn, cotton and oranges.

During the month in question prices paid by farmers for things bought advanced 1 point, standing at 177, this being 6 points above the index in November 1943.

FOOD CHARGES AND PRICES DOWN A LITTLE

Marketing charges on the quantity of farm food products contained in a typical "family market basket" declined nearly 2 percent, from \$227 in September to \$223 in October, continuing a decline in such marketing charges which began last July. The October figure was the lowest in 6 months.

The farmer's share of the consumer's dollar spent for farm food products rose from 52 cents in September to 53 cents in October. This figure continues to hold near to the record high of 54 cents reached in December 1943 and March 1944.

Retail cost to consumers of the farm food products included in the family market basket dropped from \$450

in September to \$448 in October. This "market basket" includes average annual purchases (1935-39) of farm food products by a family of 3 average consumers.

FARM INCOME

Total receipts from farm products sold during October, \$2,482 million, including \$33 million Government payments. Like figure for October 1943 was \$2,282, which included \$29 million Government payments.

The January-October total receipts this year, \$17,057 million, compared with \$15,889 million in like period last year. These figures included \$692 million of Government payments this year and \$582 million last year.

For more detailed information, write the Division of Economic Information, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington 25, D. C., or telephone Republic 4142 - Branch 4407.

| CURRENT INDEXES FOR AGRICULTURE | | |
|--|--------------------------|------------------|
| INDEX NUMBERS | BASE PERIOD | NOV. 1944 |
| Prices received by farmers | 1910-14 = 100 | 196 |
| Prices paid by farmers, interest and taxes | 1910-14 = 100 | 171 |
| Parity ratio | 1910-14 = 100 | 115 |
| Wholesale prices of food | 1910-14 = 100 | 162 |
| Retail prices of food | 1910-14 = 100 | 176 |
| Farm wage rates | 1910-14 = 100 | 1325 |
| Weekly factory earnings | 1910-14 = 100 | 417 |
| RATIOS | LONG-TIME NOV. - AVERAGE | NOV. 1944 |
| Hog-corn ratio, U. S. | 12.6 | 12.7 |
| Butterfat-feed ratio, U. S. | 26.9 | 26.4 |
| Milk-feed ratio, U. S. | 1.39 | 1.54 |
| Egg-feed ratio, U. S. | 24.5 | 20.3 |
| PRODUCTION COMPARISONS | JAN. - OCT. 1943 | JAN. - OCT. 1944 |
| Milk, (Bil. lb.) | 101.9 | 102.1 |
| Eggs, (Bil.) | 48.2 | 51.1 |
| Beef, (Dr. wt., mil. lb.) | 4,789 | 5,498 |
| Lamb Mutton (Dr. wt., mil. lb.) | 770 | 725 |
| Pork & Lard (Mil. lb.) | 9,527 | 10,738 |
| All meats (Dr. wt., mil. lb.) | 15,542 | 17,691 |
| ¹ October figure. | | |
| ² Factory pay roll per employed worker adjusted for seasonal variation. September figure. | | |